

PHILIP MORRIS CIGARETTE PRICE AUDIT

As a result of the increase to the Federal Excise tax on cigarettes we would like to begin monitoring retail cigarette prices in a small sample of stores in each section. The following directions explain how to conduct these audits.

- Each section should pick 10 stores (5 in the headquarters' city and 5 from any other city in the section) that will be audited each week. In each city the store selection should be as follows:

<u>H.Q. City</u>	<u>Other City</u>
2 different chain supermarkets	2 different chain supermarkets
1 drug	1 drug
1 convenience	1 convenience
1 small grocery	1 small grocery
<u>5</u>	<u>5</u>

It is important that the same 10 stores are checked each week so be sure to keep that in mind when making your initial selection.

- Each store should be audited on the same day each week. If the first check was on a Thursday, then that store should be audited on each Thursday after that.
- Each week record the store name and address on the attached form along with the standard price for packs (kings and 100's) and cartons (kings and 100's). Also indicate on the bottom half of the form if the prices for Philip Morris products are different than those charged for competitive products, excluding generics. If there is a difference, please insert the P.M. price.
- After the form is completed each week please call Nancy Gurry, COLLECT, at 212-880-3588 with the information. Also it is important that the form then be mailed to Ms. Gurry at 120 Park Avenue, New York, N.Y. 10017 for back-up purposes.

If you should encounter any problems in completing this audit please call Ms. Gurry.

Thank you for your cooperation.

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